

April 11, 2006

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551

Re: FRB Docket No. OP-1246; Proposed Interagency Guidance on Concentrations in Commercial Real Estate; 71 Federal Register; January 13, 2006

Dear Ms. Johnson:

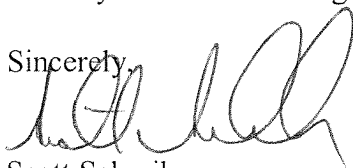
The purpose of this letter is to state my objection to the above-mentioned proposal. I am an employee of Shore Bank, a community bank doing business on the Eastern Shore of Virginia and Maryland. I believe the Proposed Interagency Guidance on Concentrations in Commercial Real Estate would have a negative impact on Shore Bank and quite possibly the Eastern Shore as a whole.

My opposition to the proposed guidance is for the following reasons:

1. The proposed guidance assumes all commercial loans secured by real estate have the same risks. Clearly, this is not true. The risk in any loan secured by commercial real estate goes back to the Borrower's ability to repay the loan and the Bank's ability to sell the commercial real estate should it need to do so.
2. The proposed guidance defines commercial real estate too broadly. Lot loans and residential construction loans should not be lumped together with non-owner occupied commercial property, for example. Most often the purpose of lot loans and residential construction loans is for consumer use and has nothing to do with income production.
3. The proposed guidance would negatively impact Shore Bank's ability to compete in the marketplace. Commercial lending has been an important part of our Bank's growth in the past 5 years. Commercial lending yields greater margins and helps to reduce our cost of funds through our broadened relationship with businesses

Thank you for considering my perspective.

Sincerely,



Scott Schreiber